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Publication of statistics on foreign commerce

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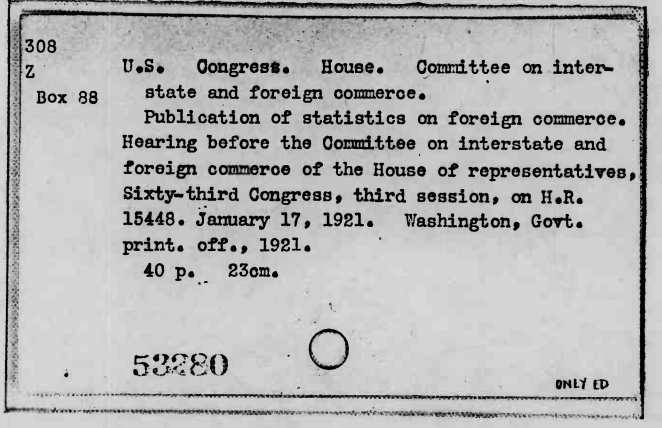
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U.S. Congress. House. Committee on interstate and foreign commerce.
Publication of statistics on foreign commerce. Hearing before the Committee on interstate and foreign commerce of the House of representatives, Sixty-third Congress, third session, on H.R. 15448. January 17, 1921. Washington, Govt. print. off., 1921.
40 p. 23cm.

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HEARING

BEFORE THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE OF THE HOUSE OF REPRESENTATIVES

SIXTY-SIXTH CONGRESS

THIRD SESSION

ON

H. R. 15448

JANUARY 17, 1921

WASHINGTON
GOVERNMENT PRINTING OFFICE
30560 1921

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE.

HOUSE OF REPRESENTATIVES.

SIXTY-SIXTH CONGRESS.

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Mar 21 Apr 1921

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PUBLICATION OF STATISTICS ON FOREIGN COMMERCE.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
HOUSE OF REPRESENTATIVES,
Monday, January 17, 1920.

The committee met at 10.30 o'clock a. m., Hon. John J. Esch (chairman) presiding.

There were present before the committee:

Hon. Joshua W. Alexander, Secretary of Commerce.

Mr. C. E. Herring, First Assistant Director, Bureau of Foreign and Domestic Commerce.

Mr. John Hohn, Chief of the Division of Statistics.

Mr. Roy S. MacElwee, Director, Bureau of Foreign and Domestic Commerce.

Mr. C. D. Snow, of the United States Chamber of Commerce.

The CHAIRMAN. The committee will come to order. The committee has under consideration this morning H. R. 15448, to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce.

Mr. Secretary, we will be glad to hear you on this bill this morning.

Secretary ALEXANDER. I supposed the representatives of my department would be here.

The CHAIRMAN. We telephoned down to the department and they said the representatives had left a few minutes ago.

Secretary ALEXANDER. They left some time before I did.

The CHAIRMAN. We will wait a moment for them.

Secretary ALEXANDER. Mr. Chairman, with your permission, I would be glad to call up H. R. 15448 now, to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce, and ask that Mr. Herring, the first assistant director of the Bureau of Foreign and Domestic Commerce, be now heard.

The CHAIRMAN. Very well; we will hear you, Mr. Herring.

STATEMENT OF MR. C. E. HERRING, FIRST ASSISTANT DIRECTOR, BUREAU OF FOREIGN AND DOMESTIC COMMERCE, DEPARTMENT OF COMMERCE.

Mr. HERRING. Mr. Chairman, the whole question is set forth in this public document, No. 761, and it is only necessary to say that the Treasury Department as well as the Department of Commerce concur in the suggestion that this work should be consolidated.

The CHAIRMAN. Is that a Senate or House document?

Mr. HERRING. It is House Document 761. There have also been a good many requests from the commercial interests of the country for the consolidation of this statistical work which is only logical and as to which I am quite sure the Treasury would have no objec-

tion, and apparently there is opposition from no source. It is naturally in the interest of good administration to have the work of actually making up the initial compilations now done in New York under the Treasury, and the final compilation now undertaken by the Department of Commerce here in Washington consolidated, and under one direction.

That is the whole purpose of this bill.

Mr. BARKLEY. These activities cover the same transactions?

Mr. HERRING. Yes, sir.

Mr. BARKLEY. The Treasury Department at present, under the office in New York, obtains preliminary statistics with reference to matters involved, and then the final report is made up here in the Department of Commerce?

Mr. HERRING. Yes, sir.

Mr. BARKLEY. As to those identical transactions?

Mr. HERRING. That is correct, sir. The Treasury Department does the initial work; the final work is done by the Department of Commerce.

Mr. BARKLEY. What you desire is to have the whole matter transferred to the Department of Commerce, so that they will have the initial and final making of these statistics?

Mr. HERRING. Yes, sir.

The CHAIRMAN. How many employees has the Treasury Department in the New York office?

Mr. HERRING. Ninety-eight, I believe, at the present time. It fluctuates slightly.

The CHAIRMAN. Supposing this consolidation becomes effective, would there be any possibility of reducing the force?

Mr. HERRING. No, sir; I think not. The work is now not being done as it should be done; there has been a great deal of protest from the commercial interests of the country because of the delay in compiling the statistics, and the delay in final publication. We should hope that under a consolidation it would be possible to speed up the work somewhat. That is also one of the purposes.

The CHAIRMAN. Then, it would not result in any particular economy, but it would result in speeding up the work. Is that the main purpose?

Mr. HERRING. It would result in greater efficiency but no financial saving.

The CHAIRMAN. Well, with greater efficiency, might there not be a possibility of eliminating some of the clerical force?

Mr. HERRING. The work has greatly increased and it is the hope of the department to enlarge the present schedules, which are altogether inadequate. During the war an enlarged export schedule and also an enlarged import schedule were prepared to meet the urgent demands of the war organizations. We are now hoping to get from the appropriations committee additional funds to actually inaugurate these new schedules, for which there has been the greatest demand on the part of the most important commercial interests in the country. It is preliminary to this speeding up and, we hope, extension of the work that we want this consolidation.

The CHAIRMAN. So enlarging your schedules and the information contained therein would necessitate a retention of your present force, if not possibly increase it?

Hr. HERRING. Yes, sir; that is correct.

The CHAIRMAN. Just what statistics do they gather over there in New York? I think we ought to have that information for the benefit of the House.

Mr. HERRING. These are the foreign trade statistics of the United States. The statistics showing the imports into the country and the exports from the country, for all customs districts, which are consolidated and compiled in the New York Customhouse, or rather, by the Division of Customs Statistics in New York, now under the Treasury Department.

It is a summary of the entire foreign trade of the United States month by month and year by year that is shown by these statistics.

The CHAIRMAN. How much could you speed up this work if you had jurisdiction of it?

Mr. HERRING. I do not know that we can be very specific, Mr. Chairman, on that point. We should have to go over in detail the work as it is now being done in New York, and as it is now being done here. I should say, though, that it would be very difficult to speed it up to any great extent unless we get some additional funds.

The CHAIRMAN. Of course, you would have to secure that through the Committee on Appropriations.

Mr. HERRING. Yes, sir; as a matter of fact, Mr. Chairman, the work is now running behind because of the inadequate personnel that we have and that the Treasury Department has for this work.

The CHAIRMAN. Is the main value of these statistics the fact that they are current?

Mr. HERRING. Yes, sir.

The CHAIRMAN. And if the statistics get stale they lose their value?

Mr. HERRING. That is true, sir, and I will give you a specific illustration, if I may.

There has been, of course, a great deal of interest recently in the imports of agricultural products into the United States in connection with the emergency tariff bill, and also to some extent in exports of agricultural products. We have had a number of inquiries from Members of Congress who are interested in this bill for imports, let us say, of wheat from Canada, or exports to Canada, and we have been unable to give it to them—these figures—as promptly as we should, simply because of the inadequancy of our present force, and partly, I think, because of the fact that the work is not consolidated.

The CHAIRMAN. Well, if this bill becomes a law, would you transfer that Customs Service now in New York to the bureau here?

Mr. HERRING. Not physically, I think. It is probable that a few members of the bureau in Washington who are now engaged in the final compilation would go to New York to take part in the initial compilation. Most of the force that is now in New York would remain there.

The CHAIRMAN. But under your jurisdiction?

Mr. HERRING. Yes, sir.

The CHAIRMAN. Would a unified control of this character increase this efficiency that you speak of?

Mr. HERRING. Yes, sir; it would certainly have that tendency.

The CHAIRMAN. Is there division of authority now that lends itself to delaying the report?

Mr. HERRING. There is the utmost cooperation between the Treasury Department and the Department of Commerce, but it does necessarily work out, I think, that the work is somewhat retarded by the division of authority. The Department of Commerce is responsible to the country for the distribution of all our foreign-trade information, and its jurisdiction over the foreign-trade statistics should be complete.

The CHAIRMAN. Has this bill the approval of the Secretary of the Treasury?

Mr. HERRING. Yes, sir.

Mr. BARKLEY. Right along that line, the fact is that the beginning of these statistics in one department and the final wind-up in another calls for more or less lost motion, does it not?

Mr. HERRING. Yes, sir; that is true.

Mr. MERRITT. Has the Department of Commerce a bureau in New York now under its jurisdiction?

Mr. HERRING. The Department of Commerce has a branch office, but it does not have to do with customs statistics. They are compiled under the Treasury in New York.

Mr. MERRITT. These employees in New York who are now gathering statistics under the Treasury; would they be transferred to your office, or would they still be housed in the Treasury building in New York?

Mr. HERRING. They would still be housed in the customhouse, which is under the jurisdiction of the Treasury Department. That is specifically provided for in the bill.

Mr. MERRITT. Would not that still result in more or less friction?

Mr. HERRING. I do not think so. I understand the Treasury has agreed that we should remain there, and as a matter of fact it would result in a good deal of unnecessary expenditure if we had to move, because there are installations of rather complicated tabulating machinery, and besides it would be very difficult to find another office in New York.

Mr. MERRITT. Of course, I can understand in a general way how statistics which you use might be better collected under your jurisdiction, but if you have the same men doing the same thing in the same building in the same room, I do not quite see how it is going to result in any particular improvement to the service, unless you mean that the superior directing brains will probably come from yourselves.

Mr. HERRING. We do not mean to make any such implication. In the first place, sir, the Treasury has specifically requested that this transfer be made. I have here a letter of November 14, 1919, from the Secretary of the Treasury to the Secreatry of Commerce, requesting that the change be made. There has been no opposition whatsoever from any source. The reasons for the change are given in pages 4 and 5 of House Document No. 761.

(The letter referred to follows:)

TREASURY DEPARTMENT,
Washington, November 14, 1919.

The SECRETARY OF COMMERCE.

MY DEAR MR. SECRETARY: I am in receipt of your letter of the 31st ultimo, in which, referring to the delay in the receipt of the statistical reports furnished by the Bureau of Customs Statistics at New York to your department, you urge an increase in the force and equipment of that bureau so that there may be no delay in mailing these reports to you.

Instead of an increase in the cost of operating the bureau at New York, the department had anticipated a reduction when the stress of war conditions was over and the necessity of compiling and furnishing special statistical reports to the War Trade and Shipping Boards and other war organizations no longer existed.

However, I am in thorough accord with the view expressed by you that these statistics should be furnished at as early a date as possible, and I shall use my best endeavors to correct the condition now existing in the bureau, although the department, on account of its limited appropriation for the Customs Service, will find it difficult at the present time to increase the force in the bureau by certifications from the Civil Service Commission, as this would involve an increase in the expenses of running the bureau, and the collector of customs at New York, owing to the increase in importations, is not in a position to furnish an additional detail of clerks from his office.

In this connection I wish to submit for your consideration the question whether under the law your department should not take over the control and with it the expense of operating the Customs Statistical Bureau at New York. I am very doubtful whether this is a proper charge against the appropriation for collecting the revenue from customs, as the preparation of the foreign trade statistics is a matter placed by statute under your jurisdiction and this bureau is the agency through which this data is gathered and compiled. In my opinion it would be to the advantage of your department and to the Government as a whole if this bureau was transferred to the Department of Commerce and the expense of its operation included in an appropriation therefor.

I wish to express my appreciation of your commendation of the officials of the Customs Bureau at New York and the manner in which it met all requirements during the trying times of the war.

I shall be pleased to have an expression of your opinion as to the advisability of the transfer of the Statistical Bureau in New York to your department.

Very truly, yours,

CARTER GLASS, *Secretary.*

The CHAIRMAN. Are there any other questions? If not, we will hear the next witness.

STATEMENT OF HON. J. W. ALEXANDER, SECRETARY OF COMMERCE.

Secretary ALEXANDER. Mr. Chairman, I would like Mr. John Hohn, the Chief of the Division of Statistics of the Department of Commerce, to be heard.

In this connection, I would suggest that the report that I made to the committee on this bill—or transmitted to Congress—might be made a part of the record, because in that I go into the whole question in very great detail.

The CHAIRMAN. Very well, we will have House Document 761 printed as part of your statement.

(The paper referred to follows.)

[House Document No. 761, Sixty-sixth Congress, second session.]

TREASURY DEPARTMENT,
Washington, May 7, 1920.

SIR: I have the honor to transmit herewith for the consideration of Congress copy of a communication from the Secretary of Commerce of April 22, submitting a supplemental estimate of appropriation, in the sum of $400,000, required by the Bureau of Foreign and Domestic Commerce to cover expenses of compiling foreign trade statistics during the fiscal year 1921.

The plan of transferring the personnel and equipment of the customs statistical bureau at New York to the Department of Commerce had its inception in the recommendation made by former Sectreary Glass in a letter addressed by him to the Secretary of Commerce, under date of November 14, 1919, wherein he stated:

"In my opinion it would be to the advantage of your department and to the Government as a whole if this bureau was transferred to the Department of Commerce and the expense of its operation included in an appropriation therefor."

The proposed transfer of the personnel and equipment of the customs statistical bureau at New York to the Department of Commerce therefore meets with the approval of this department.

The present charge to the customs appropriation for the maintenance of the statistical bureau at New York is approximately $135,000 per annum, as follows:

Salaries of 94 employees	$106,600
Cards and miscellaneous supplies	11,650
Rental of equipment	16,914
Total	135,164

In the event of the proposed transfer being effected, and the customs appropriation for the fiscal year 1921 relieved of the expense of the maintenance of the statistical bureau, it would be only proper for the Congress to deduct the sum of $135,000 from the customs appropriation for 1921, now before that body, and transfer the same to the Commerce appropriation for 1921.

The necessity for the appropriation is further explained in the accompanying letter of the Secretary of Commerce.

Respectfully,

D. F. HOUSTON, *Secretary.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

TREASURY DEPARTMENT,
Washington, May 6, 1920.

The SECRETARY OF THE TREASURY,
Washington, D. C.

SIR: The attached letter addressed to the Secretary of the Treasury by the Secretary of Commerce, under date of April 22, 1920, transmitting for submission to the Congress an additional estimate of appropriation of $400,000 for the fiscal year1921, required by the Bureau of Foreign and Domestic Commerce in connection with the compilation of statistics, concerns this department only so far as it relates to the plan proposed therein of transferring the control over the Bureau of Customs Statistics at New York from the Treasury Department of the Department of Commerce.

As may be noted from the attached file, the plan of transferring the personnel and equipment of the customs statistical bureau at New York to the Department of Commerce had its inception in the recommendation made by former Secretary Glass in a letter addressed by him to the Secretary of Commerce, under date of November 14, 1919, wherein he stated:

"In my opinion it would be to the advantage of your department and to the Government as a whole if this bureau was transferred to the Department of Commerce and the expense of its operation included in an appropriation therefor."

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Respectfully,

JOUETT SHOUSE, *Assistant Secretary.*

DEPARTMENT OF COMMERCE,
Washington, April 22, 1920.

SIR: There is transmitted herewith, for submission to Congress in accordance with existing law, the following supplemental and additional estimate of appropriation required by the Bureau of Foreign and Domestic Commerce, of this department, for

carrying on and improving the service of collecting, compiling, and publishing statistics of the foreign commerce of the United States, to be considered in connection with the estimates of appropriations submitted for the fiscal year 1921:

Compiling foreign trade statistics	$400,000

This appropriation is asked for the purpose of transferring the control, and with it the expense of operation, of the Bureau of Customs Statistics in the New York customhouse from the Treasury to the Department of Commerce, and, if deemed advisable by the Secretary of Commerce, to consolidate it with the Division of Statistics of the Bureau of Foreign and Domestic Commerce into one office, located in either Washington or New York, or partly in either place, in the discretion of the Secretary of Commerce; also to provide means for revising and extending the statistical classification of imports and exports; introducing more efficient methods for compiling the monthly and annual reports and providing for their earlier publication; introducing methods for collecting statistics of exports by parcel post; authorizing a charge at actual cost for special statistical statements and the use of the proceeds for extending such special service; and instituting other improvements in the statistical service for the use of Congress, Government departments, commercial and trade organizations and firms in promoting and extending the foreign trade of the United States.

Under the act of February 14, 1903, creating the Department of Commerce and transferring thereto the Bureau of Statistics from the Treasury Department, the Secretary of Commerce is given control of the work of gathering and distributing statistical information naturally relating to the subjects confided to this department. The legislative, executive, and judicial appropriation act of August 23, 1912, consolidated the Bureaus of Statistics and Manufactures into the Bureau of Foreign and Domestic Commerce, and the statistical work since then has been carried on by that bureau through its Division of Statistics.

Until a few days ago the monthly and quarterly statistical reports, as required by section 337 of the Revised Statutes, were compiled by the collectors of customs for each customs district on blanks provided for that purpose and transmitted directly to the Department of Commerce. In view of the increasing expense to the Treasury Department of compiling statistics at each customhouse, experiments were started in 1915 with mechanical tabulating machinery. A Bureau of Customs Statistics was organized in the New York customhouse, under the direct supervision of the Treasury Department, and copies of import entries and export declarations filed in each customhouse are transmitted daily to this central office, the data punched on cards which are sorted and tabulated mechanically. Monthly reports, showing combined totals for all customs districts, are transmitted by the New York statistical office to the Bureau of Foreign and Domestic Commerce in Washington. As the mechanical process was perfected to a point to justify exclusive reliance on the tabulated reports, the reports from the individual customs districts have been gradually discontinued. At the present time all import, export, warehouse, and noncontiguous trade reports are furnished by the Bureau of Customs Statistics at New York, and the only reports received from collectors of customs relate to vessels entered and cleared in the foreign trade, bunker coal and oil carried by such vessels, and drawback paid on imported materials used in the manufacture of articles exported.

The cost of operating the Bureau of Customs Statistics at New York is paid from the Treasury Department appropriation for collecting the revenue from customs. Inasmuch as this bureau is almost entirely engaged in tabulating statistics for the Department of Commerce, the question has been considered from time to time whether the control and expense of this work should not be transferred to that department. A recommendation to that effect was made under date of April 15, 1916, by a subcommittee of the Treasury improvement committee, a copy of which is attached hereto, but no further action was taken at that time.

This question has recently been opened again in correspondence between the Secretaries of Commerce and the Treasury in regard to an increase in the equipment and personnel of the New York statistical bureau, in order to make possible an earlier rendition of monthly reports and prompter publication of the statistics. A letter from the Treasury Department, under date of November 14, 1919, states that it will be difficult, on account of limited appropriations for the Customs Service, to provide an increase by new appointments at the present time, and that the collector of customs at New York is not in a position to detail clerks from his office owing to the increase of importations at that port. It is further suggested that it would be to the advantage of the Government as a whole if the control of the customs statistical bureau at New York were transferred to the Department of Commerce and the expense of its operation included in an appropriation for that purpose.

Many advantages are apparent if the service of collecting, compiling, and publishing foreign trade statistics could be consolidated in one office. It would be easier to make improvements in the methods, in compliance with the insistent demands from commercial interests for prompter and more detailed statistics. While the attitude of the Customs Service has been helpful in every respect, it is not to be expected that an increasing amount from the customs appropriation can be used for extending the statistical work, especially in view of the increasing volume of imports in recent months, which requires more work in connection with collecting the revenue.

The extended use of the statistics by the War Trade, War Industries, and Shipping Boards, the Food Administration, and other Government agencies in connection with war restrictions gave a tremendous impetus to a wider use of these figures, and since the war the demand from importers, exporters, and commercial organizations and firms for more detailed statistics has increased manifold. The Bureau of Foreign and Domestic Commerce has been engaged for over a year in a revision of the statistical classification of imports and exports, with the active cooperation of the Shipping Board, Tariff Commission, Census Bureau, Geological Survey, Agriculture, Treasury, and other Government departments, as well as commercial and trade organizations and experts, and individual importers and exporters. A revised classification showing about double the number of items in the present schedules for both imports and exports is practically completed. It has been expected to put this into effect with the beginning of this year, but largely on account of insufficient funds for providing the necessary increases in clerical help in both the customs service and the Washington office it had to be postponed.

This delay was a great disappointment to commercial interests, who are in urgent need of more detailed statistics regarding markets for export than is afforded by the present restricted classification. Great Britain and Canada have lately extended the classification of their statistical reports, and other countries are preparing to do so. If American merchants are to compete with other nations on even terms in the markets of the world, it is necessary that the official sources of foreign trade information be enlarged. The requisite steps for putting the revised and enlarged classification into effect January 1, 1921, are under way, and it is estimated that the increase in work caused by doubling the number of classes will require an increase of 60 per cent in the equipment and personnel of the Bureau of Customs Statistics at New York and in the Division of Statistics of the Bureau of Foreign and Domestic Commerce at Washington.

The mechanically tabulted monthly reports, in code, are transmitted from New York to the Department of Commerce, where the figures are copied by hand and compiled by annual periods for publication in the annual reports on Commerce and Navigation of the United States. A very great economy of labor and prompter publication could be effected if the annual totals were compiled mechanically. No funds for installing mechanical equipment in the Washington office are available, only a specified number of statutory clerical positions being provided; but if the two statistical services were consolidated into one office in the same place, the mechanical equipment, possibly with a slight increase, could be used for compiling both the monthly and annuals total.

The stress of work in the Bureau of Customs Statistics is greatest from the 5th to the 19th of each month, when the monthly reports are being compiled; in the Statistical Division at Washington from the 20th to the last, after the monthly reports are received and the figures are being prepared for publication in the Monthly Summary. As these two peak loads fall in different parts of the month, the combined force of employees could be used to overcome both periods of high pressure. The stress of the annual work comes in the months after the close of each year; but if monthly cards were punched, the annual totals could be obtained more expeditiously by the use of mechanical tabulating devices than by the hand method and an earlier publication of the results would be possible. Moreover, greater accuracy and greater promptness would result from combining the expert corps of revisers in the Washington office with the customs experts at New York in one office.

The actual work of compiling statistics could probably be carried on to greater advantage in New York, where consultation can be had at all times with customs officials and importers and exporters on any question that might arise, since nearly one-half of the total business in the foreign trade passes through that port. It may be necessary to keep a small force with the main records in Washington to attend to correspondence and administrative matters. The appropriation should be available for the expenditure in either Washington or New York, or partly in either place, in the discretion of the Secretary of Commerce.

The present methods for collecting statistics of exports cover only direct shipments to foreign countries by vessel or railroad. Foreign shipments by mail under parcel-post agreements are not included, for the reason that no methods are provided for collecting statistics of such shipments. This trade has grown to great proportions during and since the war, and exporters and commercial associations have been urging that commodities exported by parcel post be classified by name and amount and included in the official statistics. Additional means for statistical work are necessary if this work is to be undertaken.

The great changes in the foreign-trade currents caused by the war have created an insistent demand from commercial organizations and firms for more detail of imports and exports by countries than is shown in the published monthly reports. The Monthly Summary shows the total quantity of each article imported and exported, but only the principal countries of shipment and destination for the most important articles. To print the full details is impracticable, as it would result in delaying the monthly report, prompt publication of which for the information of all concerned is the principal object in view.

To meet this demand, a small statistical service section was organized after the armistice in the Bureau of Foreign and Domestic Commerce, which furnishes to the trade papers and commercial organizations equipped to give wide publicity to the figures, as well as to individual firms, special monthly typewritten and photographed statements showing full detail by countries for the articles covered. This service has been highly appreciated by the recipients, but more requests for extending it are received than can be complied with, on account of the limited force that can be spared from the regular work of preparing the published tables.

Inasmuch as this is special service, rendered only to a few concerns who applied for it at the beginning, a nominal charge at actual cost, which would be gladly met by the parties to whom it is furnished, appears to be legitimate. Authority for collecting such charges is therefore requested, also the use of the proceeds for the payment of salaries, purchase of typewriting, photostat, and other duplicating machines or devices, and repairs thereto, for extending the special statistical service, as may seem advisable in the discretion of the Secretary of Commerce. Such a system of charges for special statistical compilations and the use of the proceeds for extending the work has been in use in the British statistical office for years, which enables that office to furnish much better individual service to British exporters than has been possible under our system of fixed appropriations for a limited number of statutory clerical positions for statistical work.

The present cost of operating the Bureau of Customs Statistics is a salary roll of $106,600 per annum for 94 employees, comprising punch operators, verifiers, coding, file, and statistical clerks, stop-carders, and sorting and tabulating machine operators. The annual rental for the mechanical tabulating machinery amounts to $16,914, the cost of cards, paper, and other supplies is $11,650, making an annual total for personnel and equipment of $135,164 paid by the Treasury Department from the appropriation for collecting the revenue from customs. Many of the employees are underpaid, the increasing work requires constant overtime, and considerable dissatisfaction exists. The deputy collector in charge of the statistical work has recommended some very moderate increases in salaries which, if granted, as they should be, would bring the total cost to approximately $150,000.

On account of the increase in imports and exports since the close of the war, amounting to 30 per cent in the last year, which caused a corresponding increase in the work, the monthly reports since May of last year have been delayed from 7 to 10 days beyond the time agreed upon, which caused a delay in the published statistics and has subjected the Department of Commerce to considerable criticism. Furthermore, the work of tabulating the exports from the port of New York is about four weeks behind, which makes the reports for the current month misleading. The returns for January, 1920, represent exports during that month for ports other than New York, but included for that port a large part of the cargoes of ships which cleared in December, 1919. The Treasury Department is unable to supply additional funds for statistical work for the reason that its appropriation for expenses of collecting customs revenue is, in view of the increasing volume of imports, all required for that purpose.

In order to bring the work up to date and to complete the reports by the 20th of each month, it is estimated that an increase of one-third in the equipment and personnel of the Bureau of Customs Statistics will be required, bringing the total cost up to $200,000. The increase of work caused by the proposed new statistical classification after January 1, 1920, is estimated to require an increase in the equipment and personnel of 60 per cent, which would bring the cost of mechanical tabulation of statistics to $320,000 for the fiscal year 1921.

The Division of Statistics in the Bureau of Foreign and Domestic Commerce has now 34 employees with total annual salaries of $50,700, comprising statutory positions included in the appropriation for the bureau for the fiscal yaer 1920. The estimates for the fiscal year 1921 submit an increase of 19 positions and $25,450 in salaries for the Division of Statistics, to take care of additional work caused by the revised and

enlarged new classification after January 1, 1921. Other planned extensions of the service include collecting and compiling statistics of exports by parcel post, a continuation of studies of ocean-borne traffic started by the Shipping Board, translating the commodities in the import and export trade of the United States into terms of ships and cargoes, and for the information of ship operators computing for the various trade regions and countries of the world the amount of dead-weight tonnage required in continuous service throughout the year to move this traffic, and other improvements in the method of compiling and publishing the statistics with a view to prompter service. The submitted increase would bring the salary roll of the Division of Statistics to $76,150 for the fiscal year 1921.

The proposed consolidation of the two statistical services into one office would therefore require an appropriation of $400,000 in order to provide for the needed extension of classification, keeping the compilation up to date for the period covered by the reports, rendition of the returns by the 20th of each month, prompt publication of the monthly and annual reports, parcel-post statistics, and other improvements in methods and service planned for the benefit of commercial interests. In the consolidation it may be possible to effect some saving by preventing duplication of work which is unavoidable under present conditions, but the primary object in view is to bring the statistical service on a par with the best furnished by other Governments.

The British monthly statistical reports dealing with a foreign trade of approximately the same amount show considerably more detail, and are published on an average by the 10th of the following month, or four weeks earlier than our Monthly Summary. This is partly due to the small area of the United Kingdom as compared with the United States, but also to a better centralization of the work and a much stronger organization. The British estimate for the statistical office in London provided in 1919 for 269 employees at total minimum salaries of £41,737, with additional pay for overtime while working on the periodical reports, regular annual salary increases, retirement and disability pensions, and other special emoluments designed to make the British civil service attractive.

As already stated, the force available for compiling United States foreign trade statistics consists of 34 statutory clerical positions in the statistical division of the Bureau of Foreign and Domestic Commerce at Washington, and 94 in the Bureau of Customs Statistics at New York, a total of 128 persons. The New York office is underpaid, overworked, and somewhat demoralized, with no immediate relief in sight because the Treasury appropriation is limited and required for collecting customs revenue.

Under present conditions, with the work divided between two departments and an inflexible personnel and equipment without means of adjustment as the work increases it is difficult to make improvements and impossible to render the service demanded by commercial interests. It will not be questioned that American producers and traders are in need of detailed and prompt statistics if they are to compete with other nations in the world's markets. The plans outlined herein for placing the statistical service on a high standard have been carried to a point where they can be put into effect without delay if the necessary funds are provided.

The proposed transfer of the Bureau of Customs Statistics at New York from the Treasury to the Department of Commerce would carry with it only the work performed by that office and leave with the collectors of customs such work as they are now performing in connection with statistical documents, including the coding and classifying of shippers' export declarations. The coding of exports can be done best at the customhouse where the declarations are filed, as any doubtful points can be settled there before the declarations are forwarded to the New York bureau.

The detailed monthly statistical reports of imports and exports furnished to the collector of each customs district for purposes of record, in accordance with T. D. 38040, would of course be continued. As the coders and classifiers in the New York customhouse are at present insufficient to handle the enormous increase in the exports from that port promptly, the transfer of the Bureau of Customs Statistics to the Department of Commerce would make possible an increase in this force sufficient to handle the increased work with proper dispatch. Only if the data are compiled promptly and all transactions shown in the month when they occur will the statistics give a true picture of our foreign trade to serve as a guide in business and a basis for legislation.

Inasmuch as the proposed transfer affects the Treasury Department, and as it has already been agreed that the statistical bureau at New York should properly be placed under the Department of Commerce, it is suggested that your views and recommendations in regard to this matter be transmitted to Congress.

Respectfully,

J. W. ALEXANDER,
Secretary of Commerce.

The SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, November 14, 1919.

The SECRETARY OF COMMERCE.

MY DEAR MR. SECRETARY: I am in receipt of your letter of the 31st ultimo, in which, referring to the delay in the receipt of the statistical reports furnished by the Bureau of Customs Statistics at New York to your department, you urge an increase in the force and equipment of that bureau so that there may be no delay in mailing these reports to you.

Instead of an increase in the cost of operating the bureau at New York, the department had anticipated a reduction when the stress of war conditions was over and the necessity of compiling and furnishing special statistical reports to the War Trade and Shipping Boards and other war organizations no longer existed.

However, I am in thorough accord with the view expressed by you that these statistics should be furnished at as early a date as possible, and I shall use my best endeavors to correct the condition now existing in the bureau, although the department, on account of its limited appropriation for the Customs Service, will find it difficult at the present time to increase the force in the bureau by certifications from the Civil Service Commission, as this would involve an increase in the expense of running the bureau, and the collector of customs at New York, owing to the increase in importations, is not in a position to furnish an additional detail of clerks from his office.

In this connection I wish to submit for your consideration the question whether under the law your department should not take over the control and with it the expense of operating the customs statistical bureau at New York. I am very doubtful whether this is a proper charge against the appropriation for collecting the revenue from customs, as the preparation of the foreign-trade statistics is a matter placed by statute under your jurisdiction, and this bureau is the agency through which this data are gathered and compiled. In my opinion it would be to the advantage of your department and to the Government as a whole if this bureau was transferred to the Department of Commerce, and the expense of its operation included in an appropriation therefor.

I wish to express my appreciation of your commendation of the officials of the customs bureau at New York and the manner in which it met all requirements during the trying times of the war.

I shall be pleased to have an expression of your opinion as to the advisability of the transfer of the statistical bureau in New York to your department.

Very truly, yours,

CARTER GLASS, *Secretary.*

Estimates of appropriations required for the service of the fiscal year ending June 30, 1921, by the Department of Commerce.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Compiling Foreign Trade Statistics, Department of Commerce—

For every expense necessary to enable the Secretary of Commerce to collect, compile, and publish, from the data furnished by the various collectors of customs as prescribed by law, statistics of imports, exports, and navigation in the foreign trade in accordance with the existing laws: *Provided*, That the control and with it the expense of operation of the Bureau of Customs Statistics now located in the courthouse, New York, N. Y., be transferred from the Treasury Department to the Department of Commerce, and if deemed advisable by the Secretary of Commerce to consolidate it with the Division of Statistics of the Bureau of Foreign and Domestic Commerce into one office, located either in Washington or New York or partly in either place, in the discretion of the Secretary of Commerce, including personal services in the District of Columbia and elsewhere; rent of quarters in the District of Columbia and elsewhere; rent or purchase of tabulating, punching, sorting, and other mechanical labor-saving machinery or devices, including adding, typewriting, billing, computing, mimeograph, multigraph, photostat, and other duplicating machines, including their exchange; repairs to tabulating, punching, sorting, and other mechanical labor-saving and duplicating machinery or devices; printing and binding of statistical forms; subsistence and traveling expenses of employees while engaged upon

official travel, including expenses of transportation of families and effects of employees in going to and from official posts; telegraph and telephone service, freight, express, and cartage; tabulating cards and supplies; stationery, blank books, binding devices, and office supplies; furniture and equipment; ice, water, heat, fuel, light, and power; local street-car fares; janitor supplies; and all other necessary expenses not included in the foregoing: *Provided further*, That the Secretary of Commerce is hereby authorized to make and collect a charge, at actual cost of labor and materials, for special statistical compilations and statements furnished to private individuals, firms, and organizations at their request: *Provided further*, That the amounts thus collected shall be depositied to the credit of this appropriation (submitted)..... $400,000

Compiling foreign trade statistics, Department of Commerce.

Employees.	Rate per annum.	Estimated, 1921.
		Number.
Statistican	$4,000	1
Do	3,500	1
Chief statistical clerk	3,000	1
Do	2,750	1
Head statistical clerk	2,750	1
Do	2,500	1
Principal statistical clerk	2,250	2
Chief supervisor of mechanical tabulation	2,100	1
Assistant supervisor, $1,800 to $2,000 per annum		3
Statistical clerks, $1,260 to $1,980 per annum		31
Examiners, $1,440 to $2,040 per annum		18
Punch operators, $1,200 to $1,320 per annum		32
Verifying clerks, $1,260 to $1,440 per annum		20
Sorting machine operators, $1,140 to $1,320 per annum		17
Tabulating machine operators, $1,200 to $1, 320 per annum		28
Coding clerks, $1,320 to $1,680 per annum		25
Stop carders, $1,140 to $1, 260 per annum		12
File clerks, $1,200 to $1,440 per annum		5
Stenographers, $1,440 to $1,680 per annum		3
Typists, $1,200 to $1,680 per annum		6
Messengers, $1,020 to $1,140 per annum		3
Salaries		$308,200
OTHER OBJECTS OF EXPENDITURE.		
Rental of mechanical equipment: 32 card-punching machines, at $120 per annum, $3,840; 17 sorting machines, at $240 per annum, $4,080; 28 tabulating machines, at $978 per annum, $27,384		35,304
Cards for tabulating machines		18,380
Furniture and equipment		15,000
Repairs to office equipment and mechanical devices		2,000
Printing and binding of blank forms and office records		6,000
Transportation of persons and effects		2,000
Subsistence and traveling expenses		1,500
Telegraph and telephone		1,000
Freight, express, and drayage		500
Stationery, blank books, and office supplies		5,000
Electric power, light, heat, water, and incidentals		2,500
Rent and other miscellaneous items		2,616
Total		400,000

STATEMENT OF MR. JOHN HOHN, CHIEF OF THE DIVISION OF STATISTICS, BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

The CHAIRMAN. Give your name and address.

Mr. HOHN. John Hohn, Chief of the Division of Statistics, Bureau of Foreign and Domestic Commerce. This consolidation may be said to be the first step in a movement for the improvement of statistics. The whole object of this consolidation is to improve the statistical service. The service is defective, or, rather, not satisfactory, to the business people. They want better statistics and they want prompter

statistics. So, the Secretary of Commerce requested from the Appropriations Committee a lump sum of $400,000 for statistical work, and included in that estimate was this proposal to transfer the Bureau of Customs Statistics to the control of the Secretary of Commerce.

The Appropriations Committee stated that this transfer was general legislation, which could not be considered in an appropriation measure, but that it should be considered in a separate measure. That is the reason this separate bill was introduced.

Until a few years ago, until 1915, the statistical reports to the Department of Commerce were made from each collection district, from the 48 different collectors of customs. Of course, the Treasury Department footed the bill. The expense of that got to be so great that experiments were started with mechanical tabulation, and that has reached now such a point that copies of every import entry and export declaration filed at all the customhouses are sent daily to this New York office; there a lot of cards are punched; at the end of the month the cards are sorted and tabulated mechanically, and the monthly reports are sent to the Department of Commerce. Here we copy the figures by pen and ink and publish them in a monthly summary, in a quarterly report, and an annual report.

The Treasury Department has about reached its limit on spending more money for statistics. In order to improve the service it will take more money. We have at present about 700 classes in the monthly imports and about 700 in the monthly exports. The business people are not satisfied. It is not sufficient detail, and during the war a new classification was worked up, in cooperation with the Tariff Commission and the Census Bureau. Practically every Government department in Washington helped on that. We have got the new classification completed and it is in print. The exports were extended from 700 to 1,254 classes, an increase of 76 per cent. The imports were extended from 700 to 954 classes. We were rather conservative with the imports. They can be extended more at any time when we get more money.

At the present time the cost of the Bureau of Customs Statistics in New York is about $145,000 a year, paid by the Treasury Department out of the lump sum for collecting customs revenue. Now, the Treasury Department does not feel like spending any more money on statistics. So that resulted in this estimate being transmitted to the Appropriations Committee for a lump sum of $400,000 for collecting statistics of imports and exports.

The CHAIRMAN. The Committee on Appropriations did not want to act on your request for increased appropriations without having this legislation?

Mr. HOHN. That is it.

Secretary ALEXANDER. How much do we now have for statistical work?

Mr. HOHN. The statistical work of the Department of Commerce is being carried on with statutory positions. It costs about $50,000 a year. There are 34 clerks employed in Washington on statistics, in statutory positions. The work in Washington can not be expanded because we have no more positions. We have no lump sum for statistics in Washington.

The CHAIRMAN. In your opinion, would the enactment of this bill lead to greater efficiency and a proper issuance of the reports and statistical data?

Mr. HOHN. I do not think the enactment of this bill, just the enactment of this bill, would; no.

The CHAIRMAN. Without the increase of appropriations?

Mr. HOHN. Yes, sir. I do not think it would very much, possibly a little. It would in one way. At the present time when the Department of Commerce wants to change any of the reports, make any change at all in the procedure, or in the form of the reports, we have to go to the Secretary of the Treasury and ask him to instruct the Bureau of Customs Statistics accordingly. There is lost motion there. It always takes an argument with the Treasury Department before they will issue the instructions. If this plant was under the Department of Commerce, we would issue the instructions direct. There would not be any question about it.

Mr. PARKER. How much was appropriated for this bureau from the Treasury Department?

Mr. HOHN. There is no direct appropriation. The Treasury Department has an appropriation of $11,300,000 for collecting revenue from customs. They simply pay $145,000 a year, about, for statistics.

The CHAIRMAN. Now, if this is passed, would it relieve the Treasury Department of the payment of the $145,000 out of its lump-sum appropriation?

Mr. HOHN. Yes, sir; but the Treasury Department has agreed to turn it over to the Department of Commerce—that is, part of the bill—and the Secretary of the Treasury has agreed to do that.

The CHAIRMAN. That would be for the current year?

Mr. HOHN. For the current year.

The CHAIRMAN. But hereafter you would be the only one to get the appropriation?

Mr. HOHN. The Department of Commerce would have to go to the Appropriations Committee and ask for appropriations for statistics.

The CHAIRMAN. Which would cover not only the statistical bureau here in Washington in the Department of Commerce, but the appropriations heretofore made for the Customs Service in New York?

Mr. HOHN. Yes, sir.

The CHAIRMAN. Are there any other questions?

Mr. BARKLEY. If this increased appropriation were allowed, would that involve the saving of the $50,000 that you now spend under statutory positions; would those positions be transferred to this statistical work so that they would be covered in the $400,000 appropriation or whatever it might be?

Mr. HOHN. Yes, sir.

Mr. BARKLEY. So that you would figure on saving the $145,000, plus the $50,000, making the other $200,000 that is already expended for that purpose, and it would all be covered by whatever appropriation Congress allowed you for that work in the future?

Mr. HOHN. Yes. The $400,000 asked is about double the present cost of the work; $50,000 for the Department of Commerce; about $145,000 for the Treasury.

The CHAIRMAN. And that increase is due to the increased number of classifications, export and import?

Mr. HOHN. For the increased number of classifications and the increase in the foreign trade; both imports and exports amount, at the present time, to about $13,000,000,000 a year. Before the war it was approximately four or five billions. There is more interest at the present time in foreign trade statistics than there ever has been before.

Now, there is another thing. Canada has already increased its classifications; that is in effect. England has already increased its statistical classification. I believe Japan has; and every other country is working on a more elaborate schedule of imports and exports.

The CHAIRMAN. How does the number of their classifications, exports and imports, compare with ours on this increase you have mentioned?

Mr. HOHN. We would be up to date if we could put the new classification in. There is one other thing—more than one—but there is a very important one.

About the 9th of the month we have in Washington the total value of imports and exports for Japan; about the 14th or 15th of the month we have the monthly summary or the monthly foreign trade report of the United Kingdom in print in Washington. Our monthly foreign trade statistics are in print about six weeks after the close of the month.

The CHAIRMAN. How much slower are we than Great Britain or Japan?

Mr. HOHN. We are a month behind England.

The CHAIRMAN. How much behind Japan?

Mr. HOHN. Well, the preliminary total values—that is, just the total values—in Japan are ready on the 9th of the month, but I do not think the printed report is really ready until about the last of the month, about 30 days after the closing of the period.

Mr. SIMS. The month following?

Mr. HOHN. The month following. Our monthly reports from the Bureau of Customs Statistics are received in Washington between the 20th and 25th of the month; that is, it takes from three to four weeks to get the reports from New York to Washington. Then it takes us about two weeks to print that report, about 100 pages. The law says all printing must be done at the Government Printing Office, and the whole publication must be ready, for the Printing Office here will not accept partial copy. In other words, the departments here in having printing done, have to follow the rules established by the Government Printing Office. Now, the English statistical office sends copy to the printer one page at a time. That is set up in type, a proof is run off, sent to the statistical office, the proof is read page by page, and by the time the last page of the publication is sent to the printer all the other pages are in type and have been read.

The CHAIRMAN. Do you know whether that custom entails a larger cost in printing than the custom established by our Printing Office?

Mr. HOHN. Well, I do not know about that, but there is another matter in connection with this. If the Department of Commerce can control the Bureau of Customs Statistics at New Yrok and direct them and issue instructions, we can get to the point where we could be sure that the monthly reports from them would be in Washington each month on a stipulated date, on a certain day. We could count on that; say on the 20th of the month we would have the last report.

We could tell the Public Printer "on a certain day each month this monthly report will be ready for you," and we could agree upon a schedule. He could count on having this work to do each month at a certain time, and he could have a regular schedule each month. That would bring better results. At the present time we do not always know. Sometimes we get it on the 20th, sometimes the 24th, sometimes the 26th.

The CHAIRMAN. You say it takes about six weeks on an average?

Mr. HOHN. To get it in print.

The CHAIRMAN. Yes; to get it in print. Now, if this bill becomes a law and you can secure the increase in appropriations from the Committee on Appropriations, how much of that time could you reduce?

Mr. HOHN. It could be reduced—well, to be conservative, 10 days. I think it could be reduced two weeks.

The CHAIRMAN. What value would those two weeks be to the business interests of the country?

Mr. HOHN. According to the letters we get from the business people it would be of the greatest value. Statistics six weeks old are no good to them, they say.

The CHAIRMAN. Just wherein does the value of these statistics aid the manufacturer or the business interests of the United States?

Mr. HOHN. We make up each month about 80 statements, photostat statements; they are photographed or mimeographed statements of exports of automobiles, of electrical machinery, iron and steel, all sorts of things, and they are sent to the people that do the exporting, and each firm knows just what went out during the month to each country. These statements show everything in detail. While the printed publication shows only the totals, you might say.

Mr. MERRITT. They see that, and what use do they make of it?

Mr. HOHN. Well, they plan their export campaign. That is the basis of their export campaign. It is the basis of their trade promotion work.

Mr. MERRITT. In order to see what markets will take what goods? Is that the idea?

Mr. HOHN. Yes, sir; to see what has been done during the past month. They have no use for statistics a year old.

Mr. MERRITT. These papers that you now speak of are purely statistics? They do not give any reports of local men as to the market conditions and financial conditions, and all that?

Mr. HOHN. These are nothing but figures. The other promotion work is done in the other divisions of the Bureau of Foreign and Domestic Commerce.

Mr. MERRITT. The work you now speak of is done by another bureau of the Department of Commerce; not by the Treasury?

Mr. HOHN. They are both done by the Bureau of Foreign and Domestic Commerce, to which we want these statistics transferred.

Mr. SWEET. You have statistics on exports and imports?

Mr. HOHN. Yes, sir.

Mr. SWEET. And which class of men are demanding these figures? Can you name them?

Mr. HOHN. I might say practically every business man—manufacturers, importers, exporters—and, of course, the banks. The foreign trade banks at New York use our statistics a great deal. All the trade journals, commercial journals, and the daily press, for example, the Journal of Commerce; all the big New York papers use them.

Mr. SWEET. You have a list, have you not, of manufacturers and men to whom you send this data?

Mr. HOHN. Yes; we have a list to which we send the monthly statements. Of course, anybody can buy the publications. They are sold by the superintendent of documents.

Mr. SWEET. Is there any demand by farmers for these statistics?

Mr. HOHN. Not individual farmers, but organizations.

Mr. SWEET. Have you anything to do with the statistics in regard to the production of farm products in South American countries, or anything of that kind?

Mr. HOHN. They are on file in the bureau, but that has nothing to do with this particular statistical work.

Mr. SWEET. And you are in position to furnish that to farm organizations and farmers who might want to know how much corn, we will say, was produced in Argentina?

Mr. HOHN. Yes, sir.

Mr. SWEET. Or in any other country?

Mr. HOHN. Yes, sir; provided those other countries would have figures.

The CHAIRMAN. You stated that it required two weeks now to print your monthly report?

Mr. HOHN. Yes, sir.

The CHAIRMAN. And that under the rules of the Printing Office they will not print by sheets or installments? Have you ever taken up with the Public Printer the necessity of modifying his rules so as to accommodate you in this respect?

Mr. HOHN. Yes, sir; we have several times, and the Printer agreed to furnish us proof within seven working days. We agreed to return that proof to him within 24 hours, and he would furnish us completed copy in two more working days; but the war came along and that broke down, and our reports got slower and slower. We never could set a day each month on which our copy would be ready, and, of course, that is necessary.

Mr. SWEET. Have you ever taken it up with the Joint Committee on Printing, the advisability of securing action to hasten the publication of your statistics?

Mr. HOHN. No, sir; that is not the function of the Joint Committee on Printing. I do not think it is.

The CHAIRMAN. Well, the Printing Office is within its jurisdiction, and the Joint Committee on Printing could modify the rules, I take it, of the Public Printer. If necessary, they could get an action on the part of Congress to make or give priority in printing to statistical bureaus in order to make those statistics current.

Mr. HOHN. We realize, of course, that the publications of other Government departments are important also.

The CHAIRMAN. Yes; we know that as to the railway statistics, which are now published two years old and therefore lose very much of their value.

Mr. HOHN. Talking about the Joint Committee on Printing, under the law our statistical publications are congressional documents, and a certain number is required to be printed for the use of the House of Representatives and of Congress. The Joint Printing Committee passed a rule that this printing should not be done. Consequently,

every Congressman and every Senator comes to the bureau to get his statistics. That is about the only thing I know about the action of the Joint Committee on Printing on statistics.

Mr. BARKLEY. Are you able to give the figures for last year in our foreign trade, both imports and exports?

Mr. HOHN. For eleven months ending with November, but we have not the December figures yet.

Mr. BARKLEY. Are you able to approximate the yearly foreign trade for last year? Including December?

Mr. HOHN. I do not carry the figures in my head, of course. It was approximately $13,000,000,000, both imports and exports.

Mr. BARKLEY. What is our trade balance of exports over imports?

Mr. HOHN. I do not carry any figures in my head.

The CHAIRMAN. You can not do that?

Mr. HOHN. No; I do not memorize the figures.

The CHAIRMAN. It probably is about $3,000,000,000. I may be wrong.

Secretary ALEXANDER. It is between two and a half and three-quarter billions of dollars—our balance of trade.

The CHAIRMAN. Are there any other questions? If not, we will hear the next witness.

Secretary ALEXANDER. Mr. Chairman, I would like for Dr. MacElwee, the Director of the Bureau of Foreign and Domestic Commerce, to be heard now, and I have requested him to explain what this expansion of the number of items will mean and what significance they have to the commercial interests of the country, and their real value.

STATEMENT OF MR. ROY S. MacELWEE, DIRECTOR, BUREAU OF FOREIGN AND DOMESTIC COMMERCE, DEPARTMENT OF COMMERCE.

Mr. MACELWEE. Mr. Chairman, there are one or two points in the conversation previously that I desire to emphasize. There is one point that was overlooked that I believe the chairman was desirous of hearing, and that was this: In the consolidation of the two services we will be able to maintain a reserve that can be thrown upon the peak loads at two times during the month at certain parts of the development or production of these statistics.

At the present time, if you have a few extra clerks to take care of the peak load in the customhouse, they are not available for us here for the peak load that occurs here during certain days in the month. That is one point of increased efficiency. Extra clerks could be working at different parts of the month on different peak loads in the process. Of course, certain days in the month are heavier than others. That is one case.

Then, the others, I believe, are already clear to the committee, of unified jurisdiction, making it possible to avoid secretarial letters from one secretary to the other in order to have a minor figure changed in the statistics.

The requests, Mr. Chairman, that have come from all over the country, from business organizations, from shipping firms, from ports, are illustrated by one that came on my desk this morning just as I was coming up here. This is from the port of Seattle:

Resolved, That the United States Department of Commerce is respectfully requested to take such steps as shall be necessary to cause the officers of the United States customs to include in their records and tabulations of exports and imports, the tonnage as well as the valuation thereof, and to include such tonnage in the statistics published by the United States Department of Commerce.

At present we know how much the material is worth that we ship from the United States, or we receive in the United States, but we have no way of approximating how many ships are necessary to move that, because we do not know the volume.

There is another similar resolution in our records from the American Association of Port Authorities to this same effect.

That is one item, a heavy item, that we wish to include in the reclassification of which we have been speaking this morning. This reclassification, that is the addition of many items that Mr. Hohn has just mentioned, is necessary, because of the evolution in business. There are many items to-day that the business men of the country are interested in, that played no particular rôle at all in the foreign commerce of the United States 20 years ago, or more, when the present classifications were put into effect. Our commerce has grown in its volume and in its diversification.

For instance, simply to say "exports of automobiles and parts of" means nothing to the automobile industry, because they want to know how many chassis, how many completed bodies, individual motors, spares, and a refinement of the items. In a similar manner, we might go through the chemical industry for instance, through the iron and steel industry, through nearly every industry in the United States.

Now, this joint committee of which we have spoken, consisting of the statistical experts of the various departments of the Government, worked for several months—in fact, altogether, nearly two years now—and sent out to trade organizations, such as the Tanner's Council, the Association of Canners, the General Electric Co. and other electrical organizations, both companies and national associations, the tentative reclassification, and the best minds of the country, the people who are using them, have finally agreed that this is about the minimum number of classifications with which they can get along.

Now, the use to which these are put has been alluded to. It is just as important for a large exporting concern or association to have the balance sheets of the United States in international trade on their desks as soon as possible every month as it is to have the balance sheet of their own company, because, only by squaring the one with the other are they able to know which way they are headed, whether they are going to overstock the foreign markets, what proportion their sales are of the total exports of their lines; because every large firm can say: "Well, we know how much we sold abroad and the total is so much" and they come to a conclusion as to whether that market is able to absorb what has been shipped there.

And, as you said, Mr. Chairman, if these are too old, they fail to function as a part of the balance sheet of every firm or exporting organization.

Those are the points that I believe Mr. Alexander wished me to point out.

The question is so large that I do not want to get astray in the field because you are all very busy men but I will be glad to answer any questions.

The CHAIRMAN. Are there any questions any members of the committee desire to ask?

Mr. MACELWEE. The point, Mr. Chairman, is that the volume of figures to be handled has increased many times while the facilities for doing it have practically not increased at all for several years and, in addition to that, people are making more demands for these statistics than ever was made before, and altogether we are trying in every way through this bill to consolidate the forces for increased efficiency and then get sufficient appropriations to meet the demands that are made upon us for these figures.

Mr. SIMS. Mr. Chairman, the gentleman did not read the "whereas" or preamble of the resolution. I suppose—I want to ask you first—I suppose that preamble sets forth the reasons why, which will be information to the committee, and I wanted to suggest that that be printed; that the whole thing be printed.

The CHAIRMAN. It may be printed.

Mr. MACELWEE. I will file this—I will submit a copy of this for the record.

I will also include the other one of the American Association of Port Authorities. We have a file like this and we will pick out the best ones.

(The papers referred to follow:)

SEATTLE, WASH., *January 11, 1921.*

Mr. ROY S. MACELWEE,
Director United States Bureau of Foreign and Domestic Commerce,
Washington, D. C.

DEAR SIR: We are inclosing herewith copy of resolution on statistics of imports and exports, which was passed by the Pacific Coast Association of Port Authorities at their last annual meeting, October 16, 1920.

Attached to this resolution is a report made to the Port of Seattle Commission which contains some interesting data on the subject.

Yours truly,

PACIFIC COAST ASSOCIATION OF PORT AUTHORITIES,
G. F. NICHOLSON.

[Resolution of the Pacific Coast Association of Port Authorities as to statistics of imports and exports.]

Whereas in the statistics of imports into and exports from the United States, collected and published under the authority of the United States Department of Commerce, the figures as to tonnage have not heretofore been stated, the statistics being based solely on valuations, and

Whereas by reason of the excessive fluctuations in values of nearly all commodities during the last several years it is impossible from any statement of imports and exports based on values alone to determine satisfactorily the increase or decrease from time to time of the imports or exports, and

Whereas it is indispensable to the development of foreign commerce that port authorities and manufacturers, importers, exporters and all persons engaged in shipping, and in the operation of public and private means of transportation, should be able to obtain accurate information as to the quantity of exports and imports from year to year; now therefore, be it

Resolved, That the United States Department of Commerce is respectfully requested to take such steps as shall be necessary to cause the officers of the United States customs to include in their records and tabulations of exports and imports, the tonnage as well as to the valuation thereof, and to include such tonnage in the statistics published by the United States Department of Commerce.

Passed by the Pacific Coast Association of Port Authorities in open session on the 16th day of October, 1920, and signed by the president and secretary in authentication on the same day.

T. S. LIPPY, *President.*
G. F. NICHOLSON, *Secretary.*

SEATTLE, WASH., *August 25, 1920.*

To: Port Commission.
From: Executive secretary.
Subject: Statistical data obtained by the United States Department of Commerce attached.

Herewith find clipping from the San Francisco Daily Commercial News, August 3, 1920, headed "Startling figures in United States foreign trade report." This report shows an increase in the value of imports in the United States of 177 per cent between the fiscal years June 30, 1914, and June 30, 1920, and for exports during the same period an increase of 243 per cent.

These figures, issued by the Department of Commerce as to the increase of American trade have been published widely throughout the country, are very misleading as they only relate values of imports and exports and not tonnage. To demonstrate how misleading these figures are, I have before me figures showing the value of imports into France during the first four months of 1920 were 10,654,000,000 francs, as compared with 3,000,000,000 in 1914. The Paris information service, which prepares these statistics, also gives tonnage data for the same period. In the first four months for 1920 the imports amounted to 14,200,000 tons. The first four months of 1914 they were 15,300,000 tons. In other words, while the imports for the first four months of 1920 were some three times the value of imports for the first four months of 1914, yet the actual tonnage for that period was 1,100,000 tons less in 1920 than in 1914.

There is no question but what the saying is true regarding exports and imports into the United States. In other words the value statistics obtained and published by the United States Department of Commerce has little or no value as an index as to whether the actual tonnage is increasing or decreasing.

I would recommend to the commission that suitable resolution be prepared to be introduced by the American Association of Port Authorities convention, and also the Pacific Coast Association of Port Authorities requesting the United States Department of Commerce to obtain the amount of exports and imports for every customs district as to tonnage as well as value.

I understand that the Department of Commerce has had under consideration such a plan, and it might be that resolutions adopted by these two port authorities conventions would get material results.

Respectfully submitted.

———— ————,
Executive Secretary.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,

Washington, D. C., October 19, 1920.

Hon. JOSHUA W. ALEXANDER,
Secretary of Commerce, Washington, D. C.

DEAR MR. SECRETARY: At the meeting of the foreign commerce department committee of the Chamber of Commerce of the United States, on October 6, and at the meeting of the board of directors of the chamber, on October 7, the question of the new schedules of export and import statistics, which have been approved by your department and the Treasury Department, was up for consideration. The view of the foreign commerce department committee that every effort should be made to put the new schedules into effect beginning January, 1921, was coincided in by the board of directors. That body has referred the matter back to me to take up with you.

We have had correspondence from a number of quarters indicating that there is much interest in the direct application of the new schedules, and that further delay in putting them into effect should be avoided if possible.

If there is any way in which this department of the National Chamber can be of assistance in this connection I hope you will notify us and give us an opportunity. We are anxious to see the new schedules go into effect, and are sufficiently interested to take any steps which we can to help in that direction.

Very truly, yours,

C. D. SNOW,
Manager, Foreign Commerce Department.

Government Trade Statistics Revised Along Business Lines.

[Foreign Commerce Bulletin.]

Chamber of Commerce of the United States of America,
Washington, D. C., November 12, 1920.

At last we have a business classification of trade statistics. The first real grouping of the statistics of our exports and imports since 1858 has just been completed and will, let us hope, become effective January 1, 1921.

In all the statistical publications of the Department of Commerce's Bureau of Foreign and Domestic Commerce, i. e., the Monthly Summary of Foreign Commerce, the Quarterly Statement of Imported Merchandise, and the Annual Report of Foreign Commerce and Navigation, an alphabetical arrangement of commodities has been used, with very little systematic classification. Alphabetical arrangement is all very well in a way, but when in one part of a report are found statistics on agricultural implements, in another data on electrical machinery, in another place locomotives and automobiles, and in still another place other kinds of machinery, it is evident that the machinery trade has a hard time in following the various ramifications of the industry. And then, too, one is never certain, without thorough checking, whether some other line of machinery has not been skipped.

Another major fault in the present classification is the "omnibus clause," covering in a group "all other" commodities of more or less importance. Again, the value only of many articles is given, so that accurate comparisons in many cases can not be made. The statistics of imports differ materially from those of exports, making it impossible in many instances to compare our incoming with our outgoing trade. Too much emphasis has been placed upon making statistics follow the provisions of the tariff acts rather than the needs of business.

As the statistics are used largely by the commercial interests of the country in keeping track of the foreign trade of the United States, these shortcomings have been the cause of much dissatisfaction among those interested in foreign trade. Although the classification of imports is of primary importance to collectors of revenue and must, therefore, conform to the tariff acts, nevertheless the publication of trade statistics by the Bureau of Foreign and Domestic Commerce is intended for commercial use. The two purposes are not at all antagonistic.

The new classification is the direct result of the desire of the Department of Commerce, cooperating with the Treasury Department, to meet the needs of the various industries by improving the present foreign-trade statistics and making them of greater value to American business.

In September, 1918, a Government interdepartmental committee was appointed to revise our statistics of foreign trade. This committee consulted freely with commercial organizations, manufacturers, producers, exporters, and importers, as well as with the commodity experts of the various Government departments. In the light of the criticism received the schedules were revised and submitted again to the trade and trade journals for further suggestions. After more than a year's work the reclassification was completed.

SEVEN PRINCIPLES KEPT IN MIND.

The new schedules were worked out along seven main lines: (1) Grouping according to associated commodities; (2) greater number of commodities; (3) comparability of export with import schedules; (4) flexibility of classification; (5) adaptability to machine tabulation; (6) use of quantity in all items; (7) comparability with the Brussels grouping of trade statistics.

EARLY USE OF COMMODITY GROUPING.

For nearly two-thirds of a century the alphabetical arrangement of the statistics of our foreign trade has been in vogue. With each new tariff act and with the increase of commerce the schedules were revised, but little attention was given to a commercial classification. Yet, surprising as it may be to most of us, before the Civil War times there was a real commodity classification. Our early statistics were grouped by associated industries in a manner similar to the new classification. Take, for example, the statistics for the fiscal year 1857–58. All textiles were grouped in this wise:

Manufactures of wool.	Manufactures of hemp.	Oil cloth.
Manufactures of cotton.	Clothing.	Gunny cloth.
Silk and manufactures of silk.	Laces.	Matting.
	Embroideries.	Hats.
Manufactures of flax.	Floor cloth.	

This grouping of commodities commercially and economically related was changed in 1859 to an alphabetical arrangement of commodities, following the provisions of the tariff acts rather than the needs of commerce and has continued up to the present time.

RELATED COMMODITIES GROUPED.

In the new classification the commodities are grouped in an arrangement that brings together items universally associated in trade. Component materials rather than use are the basis of the new grouping. Both the export and import schedules are divided into the following ten main groups:

Group 0. Animals and animal products, except wool and hair.
Group 1. Vegetable food products, oil seeds, expressed oils, and beverages.
Group 2. Other vegetable products, except fibers and wood.
Group 3. Textiles.
Group 4. Wood and paper.
Group 5. Nonmetallic minerals.
Group 6. Ores, metals, and manufactures, except machinery and vehicles.
Group 7. Machinery and vehicles.
Group 8. Chemicals.
Group 9. Miscellaneous.

These classes are further divided and subdivided into various smaller groups and commodities. The difference between the old and new classification is well illustrated in the textile group and brings out clearly how the new schedule conforms to the needs of the trade.

In the old export schedule "Cotton" was found under "C," "Wool and hair" under "W," "Silk and manufactures of silk" under "S," "Other vegetable fibers," and "Miscellaneous textile products" in various other places. One could never be certain just where to look. In the new import schedule are brought together the free and dutiable articles, thus obviating the necessity of looking in two places, the case in the old schedules.

In the new schedules all textile and textile fibers are placed together; knowing the component parts there is only one place to look. The following table shows the main divisions of the export textile classification.

Group 3—Textiles (principal groupings).

COTTON.	WOOL AND HAIR.
Cotton, unmanufactured.	Wool, unwashed.
Cotton yarn, thread, and cordage.	Wool, washed and scoured.
Cotton cloth.	Hair, unmanufactured.
Other cotton fabrics.	Wool rags, noils, and waste.
Cotton knit goods.	Wool, mohair, alpaca, etc., partly manufactured.
Cotton wearing apparel (except knit goods) for men and boys.	Fabrics wholly or chiefly of wool or hair.
Cotton wearing apparel (except knit goods) for women and children.	Carpets and rugs of wool.
Handkerchiefs.	Wool wearing apparel.
Laces and embroideries.	Manufactures of hair, not elsewhere specified.
Lace window curtains.	Wool felts.
Bags.	Manufactures of wool or mohair, not elsewhere specified.
Cotton batting.	
Mattresses.	SILK AND MANUFACTURES OF.
Quilts and comforts.	
Sheets and pillowcases.	Waste silk.
Towels and bath mats.	Thrown silk, spun silk, and laid twists.
Other manufactures of cotton, not elsewhere specified.	Sewing, embroidery, and crochet silk.
	Fabrics wholly or chiefly silk.
OTHER VEGETABLE FIBERS, INCLUDING ARTIFICIAL SILK.	Wearing apparel.
	Handkerchiefs.
Jute manufactures.	Laces, veils, nets, and embroideries.
Flax, hemp, and ramie, manufactures of.	Other silk manufactures.
Cordage, except of jute.	
Hats and hat materials.	MISCELLANEOUS TEXTILE PRODUCTS.
Artificial silk manufactures.	
Mats and rugs of straw, grass, or other fiber.	Linoleum.
	Asphalted felt and oilcloth for floors.
Oakum.	Coated or waterproofed fabrics.
Other manufactures of vegetable fiber, not elsewhere specified.	Hats and caps, except straw or other fiber.
	Elastic webbing.
	Other textile manufactures, not elsewhere specified.

GREATER DETAIL GIVEN.

"The article I manufacture or the crop I produce is not represented in the Government trade statistics; why?" is a question that has been repeatedly asked. The answer usually was that it would be found in that cover-all group "All other." The universal criticism that trade statistics were not in sufficient detail to be of the greatest value has been met by the addition of hundreds of commodities the identity of which was formerly lost. Both the old export and import schedules carried about 700 items. The new export schedules contain 1,234 items, a 76 per cent increase; the new import schedule 984 items, a 40 per cent increase. These figures refer to the commodities published in the Monthly Summary of Foreign Commerce. In the Quarterly Statement of Imported Merchandise considerably greater detail is given. As the Monthly Summary gives exports by principal destinations and imports by chief sources the great detail that occurs in the Quarterly Statement of Imported Merchandise is not possible under present conditions.

The foregoing table of "Group 3—Textiles" shows the completeness of the main divisions. However a clear idea of the extreme subdivision to which the new grouping takes us is given in the following table of the complete "Wool and hair" group, which gives the classification exactly as it appears on the printed page. In the old export schedule there were only seven commodities listed under "Wool;" in the new, 22 separate items occur, a threefold increase. One of the principal causes for criticism of the old statistics will thus be virtually eliminated.

Detailed classification of wool and hair.

Class No.	Commodity.	Unit of quantity.
3603	Wool, unwashed	Pound.
3609	Wool, washed and scoured	Do.
	Hair, unmanufactured:	
3612	Mohair	Do.
3617	Cattle hair	Do.
3619	Other hair	Do.
	Wool rags, noils, and waste:	
3621	Noils	Do.
3622	Rags	Do.
3623	Other wool waste	Do.
	Wool, mohair, alpaca, etc., partly manufactured.	
3631	Tops	Do.
3633	Yarns	Do.
	Fabrics wholly or chiefly of wool or hair:	
3641	Worsted cloth	Pound and yard.
3642	Woolen cloth	Do.
3643	Cloth and Mohair	Do.
3644	Dress goods	Do.
3649	Other wool fabrics	Pound.
3662	Carpets and rugs of wool	Square yard.
	Wool wearing apparel:	
3679	Knit goods	Pound.
3680	Other, for men and boys	Do.
3681	Other, for women and children	Do.
3693	Manufactures of hair, n. e. s.	Do.
3695	Woolfelts	Do.
3699	Manufactures of wool or mohair, n. e. s.	Do.

EXPORT AND IMPORT SCHEDULES NOW COMPARABLE.

Many commodities in the import schedule are not found in the export classification, and vice versa. Nevertheless those that do appear in both schedules should be readily comparable. In the old classification this was not possible in numerous cases; for example, green or ripe apples were given in the export schedules in terms of barrels, while in the import schedules green or ripe apples are reported in bushels. All such inconsistencies have been weeded out in the new grouping.

Efforts to make the new schedules comparable with other commodity or industrial groupings have also been made. It is very desirable, for example, to be able to compare the statistics of foreign trade with those of production and consumption, heretofore impossible in many cases.

EXPANSION PRACTICALLY UNLIMITED.

The adoption of the decimal classification of commodities permits practically unlimited expansion or contraction of the details of the schedules without disturbing the arrangement or destroying the comparability of a group with previous data.

Such a classification also readily lends itself to mechanical tabulation, an item of the greatest importance particularly from the standpoint of speed in publication.

The application of the new classification in practical use will probably disclose further improvements and refinements, but its flexibility is an outstanding feature permitting desirable changes at any time.

QUANTITY AS WELL AS VALUE SHOWN.

Another forward step has been taken in giving quantity figures. Heretofore so many commodities have been given in value only that in many cases accurate comparisons of our trade could not be made. Commercial interests and Government departments were constantly requesting a change. In line, therefore, with making the classification of the greatest value to business, the new schedules will carry both quantities and values. Trade comparisons from year to year will be much more accurate. The statistics will also be of much greater value to transportation agencies, who are interested in quantity rather than value. Statistics given in value alone often lead to erroneous comparisons and conclusions.

BOTH SCHEDULES WILL BE INDEXED.

In view of the detailed classification and the change from the alphabetical arrangement, both schedules have been carefully indexed. The class number instead of the page will be used as the reference, thus taking the reader direct to the commodity desired.

NEW CLASSIFICATION ADAPTED TO INTERNATIONAL USE.

The Brussels statistical conference in 1913 adopted a scheme of classification for trade statistics divided into four groups and embracing 186 specific items. While the Brussels group was considered in revising our classification, it carried the old objection of lack of detail, being merely a summary of trade statistics. Nevertheless, the 186 items in the Brussels list are found in the American grouping, thus permitting the accurate summarizing of our statistics according to the Brussels classification. Inasmuch as the United States has already revised its statistics along commercial lines, the adoption of a similar classification by foreign countries would greatly simplify the reporting of foreign trade items and make for accuracy and reliability.

INCREASED FUNDS NEEDED IMMEDIATELY.

The improved American classification is ready to be put into effect the first of the year, provided Congress appropriates funds to take care of the increased staff and mechanical equipment made necessary by the 40 per cent enlargement of the import schedule and the 76 per cent increase in the export classification. Considerable economy will be effected by the proposed consolidation of the Bureau of Customs Statistics of the Treasury Department, and the Division of Statistics of the Department of Commerce, a move urged by both the Secretaries of the Treasury and Commerce.

The use of foreign trade statistics by business interests will undoubtedly become more general and with the many improvements the data will be more reliable and more promptly available, all important factors tending to the upbuilding and expansion of our trade.

AMERICAN BUREAU OF METAL STATISTICS,
New York, November 10, 1920.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Department of Commerce, Washington, D. C.

DEAR SIRS: We have been informed of the plans of the Bureau of Foreign and Domestic Commerce for the extension of its statistical service in reporting the imports and exports of commodities into and from the United States, and the need for an increased appropriation, specifically $400,000, for the execution of this purpose. Upon our own initiative we are offering to you our hearty approval of your project, which seems to us to be well designed, both in plan and scope, and we consider that Congress will be well advised in enabling you to carry out your purpose. The appropriation that you are requesting is insignificant. I mean that the benefit that will surely result therefrom to American industry will be so much greater than anything you ask of Congress, that Congress ought willingly to meet your request.

Yours, very truly,

W. R. INGALLS.

NATIONAL ASSOCIATION OF COTTON MANUFACTURERS,
Boston, Mass., August 10, 1920.

Mr. G. B. ROORBACH,
Former Chairman Interdepartment Committee for Revision of Trade Statistics,
Harvard University, Cambridge, Mass.

DEAR MR. ROORBACH: Will you be kind enough to inform me regarding the present status of the new commerce classification?

The cotton manufacturers of this country, as well as those engaged in cotton goods trade, are very anxious to see the new classification put into effect at the earliest possible moment, in order that they might get from the Government the statistical information they so vitally need for the development of foreign trade.

The new classification was worked out with the aid of the National Association of Cotton Manufacturers, after consultation with a large number of prominent manufacturers and exporters, and it very clearly reflects the desires of the cotton industry for trade information.

I should regard it as a very serious handicap if the new methods of collection of cotton goods trade information were postponed any longer. I have been very much disappointed that they have not been in effect during the present year, and I trust that no effort will be spared to assure their immediate adoption.

Thanking you for any information you can give me in regard to this subject.

Yours, very truly,

JOHN S. LAWRENCE,
Chairman Committee on Foreign Trade.

UNITED STATES STEEL CORPORATION,
New York, August 11, 1920.

Dr. GEORGE B. ROORBACH,
16 Kirkland Road, Cambridge, Mass.

DEAR SIR: Regarding statistical classification of iron and steel: During the year 1919 when you were chairman of the interdepartmental committee for revision of trade statistics we had the pleasure of cooperating with you through the American Iron and Steel Institute on this subject. Under date of November 17, 1919, we received a communication from Mr. Philipp B. Kennedy, Director Bureau of Foreign and Domestic Commerce, Department of Commerce, advising that the schedule prepared by your committee would be put into effect on January 1, 1921. We received a letter from you, under date of November 10, 1919, conveying the same information. We replied to Mr. Kennedy's letter advising that we would be greatly pleased to cooperate with the Washington authorities in this matter and would continue to do everything in our power to cooperate with importers, exporters, and other parties to carry the new classification into effect.

The scheme evolved should be very helpful in harmonizing the statistical reports published by the Government, and we trust that the various departments of the Government will put the proposed plan into effect on the 1st of January next, as indicated in Mr. Kennedy's letter.

If you have any information as to what further action is contemplated on this subject by the various departments we shall appreciate your advices.

Yours, very truly,

JOHN HUGHES,
Assistant to President.

GENERAL CHEMICAL CO.,
New York, August 9, 1920.

Dr. G. B. ROORBACH,
Ex-Chairman Interdepartment Committee for Revising Trade Statistics,
Cambridge, Mass.

DEAR DR. ROORBACH: I am astounded to learn that there is even a chance that the Treasury Department may be unable to cooperate at our Federal customhouses by putting into effect on January 1, 1921, the revised commerce classification recently completed by your committee, approved by the Department of Commerce as well as by our domestic manufacturing and importing interests and pronounced practicable and doable by officials of the Treasury Department.

I take it that this inability on the part of the Treasury is a real and true disability due to lack of funds, of personnel, or of both, and is not in any way unwillingness to cooperate, nor a spirit of hostility or unfriendliness to the work itself for it is inconceivable to me that any one at this day should or could successfully question in the slightest the need and usefulness of that revised commerce classification. It may not be and probably is not the very best classification possible, but it surely is the best that can be done to-day, and represents a very great step in advance over what we now have had for a number of years past.

Surely, the country's memory can not be so short that it has by this time wholly forgotten the widesperad display of angry resentment and wrathful indignation that swept over it directly upon the outbreak of the war in 1914 at the very highly diversified, essential, and fundamental dependence of so many, if not most, of our domestic industries upon foreign countries for raw and manufactured articles, some and perhapd many of which could and therefore should have been made at home from domestic supplies of one kind or another. If the country has not forgotten that indignation, it also surely can not have forgotten its resolve many times repeated and in very fervid and determined language never again to be caught in that kind of a fix. If both the indignation and the resolve have been forgotten, then the country should be very sharply reminded of both and in the most explicit fashion, so that if it now decides to backslide it will not have the excuse, should the conditions of 1914 ever again be repeated, that it did not now know it was backsliding.

The surest way to become independent of foreign countries to the highest degree is, first, to collect and publish information regularly of the scope, kind, extent, and nature of our imports; and secondly, to induce our domestic industries to take hold of the manufacture or production of such imported articles.

It is no answer for the Federal Government to retort that even if it did publish that information our domestic industries would not utilize it for the purpose intended, for the very good reason that the Government has no experience upon which to base such an excuse for evading its primary responsibility and duty in this very important matter of ultimate economic independence in so far as our domestic supplies permit it.

Suppose our industries did not come any where near living up to reasonable expectation after proper publication of that information for a period of years and a condition similar to that of 1914 should again arise, what then? Obviously, our Government would not then be asking for materials as it was in 1914–1918 only to find that such had been obtained wholly abroad and no domestic supply-source available and lose a lot of time in such groping.

It is clearly up to the Government and no one else to take this first step toward our maximum of economic independence by regularly collecting and publishing, in great detail, the kind and quantity of our imports; failure to do so is nothing else but a breakdown in our national morale and resolve, and such an example of spinal weakness on the part of our Federal Government can not otherwise than encourage and hasten a similar breakdown throughout our industries and people. Such a prospect is wholly undesirable and unwarranted, and should be discouraged by every means possible.

I base the foregoing not upon idle speculation, but upon my own personal experience. During the first two years of the war, I personally received and answered inquiries numbering at least 250 as to what chemicals had been coming to this country from Europe and particularly Germany, their amounts and value, so far as information which I personally dug up from one private source or another, and therefore not necessarily complete nor dependable, enable me to reply. I was convinced then and am now that our Government should then have had that information available. The Norton Dye Census and the Pickrell Chemicals Census are in part due to my efforts, and I am convinced that unless work of that kind is done regularly hereafter our dependence upon foreign countries for chemicals will increase merely because our domestic chemical industries are not kept regularly and authoritatively advised of the kind, amount, and value of our chemical imports; i. e., of our chemical dependence upon foreign countries.

I know I am wholly right in the foregoing so far as the chemical industries of this country and the extent of our chemical dependence are concerned, and the chances are that the same conditions and causes prevail in all our other domestic industries and enterprises.

I am convinced that every consideration of intelligent patriotism, of long-headed preparedness and plain, good, hard-business sense speaks for prompt beginning of such regular collection and publication and along the lines of your revised commerce classification I trust that any obstacles to putting it in operation January 1 next will be promptly and effectually removed.

Cordially, yours,

BERNARD C. HESSE.

[Association of National Advertisers, Incorporated, 15 East Twenty-sixth Street, New York City.]

Whereas American business has urgent and immediate need of more detailed foreign-trade statistics; and

Whereas the Bureau of Foreign and Domestic Commerce has in preparation a new schedule of import and export classifications which will provide just the statistics required: Be it hereby

Resolved, That the Association of National Advertisers (Inc.) respectfully requests the Congress, immediately on its convening, to make the necessary appropriation for this work.

Passed at annual meeting, December, 1920.

UTICA, N. Y., *June 17, 1920.*

BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Department of Commerce, Washington, D. C.

GENTLEMEN: This replies to your letter of June 14, your file No. 17.

We are indeed grateful to you for sending us the proof page from the Monthly Summary of Foreign Commerce of the United States showing the imports of cotton knit goods into the United States.

We are also glad to know that imports of knit underwear will be shown separately in the revised classification which is now being prepared.

It is the sincere hope of our association that this new classification can be carried into effect, and in this regard we will be grateful to you if you will tell us how we can see that sufficient funds are available for the use of the statistical division of the bureau and for the Customs Service to handle this new work.

Figures on the imports of underwear should be in the hands of every underwear manufacturer if he is to conduct his business with the same advantages that foreign manufacturers have, and we sincerely hope that you will let us know how we can help to bring this about.

Yours, very truly,

KNIT GOODS MANUFACTURERS OF AMERICA.
ROY A. CHENEY, *Secretary.*

Mr. BARKLEY. Do all these ports of entry where these records are kept report to New York?

Mr. MACELWEE. Yes, sir.

Mr. BARKLEY. Would not a little time be saved if they would report direct to Washington and have New York report to Washington, rather than have all of them reporting to New York and then to Washington.

Mr. MACELWEE. If I may go back a little, as stated before, originally the statistics were prepared to a certain point in each customhouse and that was found to be inefficient. The greater number, almost half, of our foreign trade goes through New York. There are always a certain number of questions on the entries and declarations, where it is necessary to call up the firm that has made that declaration, or write to them and square that particular entry. It is doubtful just exactly what they mean, or they have made an incorrect entry.

By keeping the entire force making up the first sheets, the preliminary sheets, in New York, the chief of that bureau there on the telephone can call most of the exporters—at least half of the exporters of the United States—or their agents, because the forwarders and other agents are in New York.

Mr. BARKLEY. You think then that no time would be saved by having Washington made the general office where these reports would be made, instead of New York?

Mr. MACELWEE. For that reason, no. We have had that question up several times. Of course our employees here who have been here a long time do not relish the idea of having to go to New York, but some of them would have to go to New York in order to consolidate that work. For that reason, and because of the congested conditions in New York and the high cost of living there we have thought very seriously of the possibility of transferring that entire equipment here, but the moving of the equipment and the installations would be expensive, and also another point, we would have to have a private wire to New York in order to check up statistics.

Mr. BARKLEY. If the cost of living up there is any higher than it is here, you would have to increase their pay.

Mr. MACELWEE. I am afraid so.

The CHAIRMAN. To what extent do you give publicity to the foreign trade of foreign countries?

Mr. MACELWEE. Mr. Chairman, the word "publicity" is bothering us. We show our trade with foreign countries regularly in our published statistics. We publish the statistical abstract in which there are some tables that show trade in foreign countries.

Further than that, we have a division in the bureau the same as the statistical division, called the research division, and this division devotes most of its time to studying the statistical books and publications of all those foreign countries that produce them. They are sent in by our trade commissioners, attaches, or consular officers. When a firm is desirous of knowing, for example, what Argentina has been doing in a certain line of work—take the case of agriculture—we are able to go to the statistical publication of Argentina in that division and put the research man on that and either reproduce tables or make compilations and digests of them and send them to the inquirer. Now the associations of the country, particularly the trade journals and the secretaries of associations and some large firms make extensive use of that service, but we do not take the initiative; they come to us and ask us and then we look it up for them, while with our own United States statistics we take the initiative and publish and get as much circulation as possible and as quickly as possible.

The CHAIRMAN. To what extent do you send out reports on exports and imports to our American consular agents and our trade agents abroad?

Mr. MACELWEE. I believe they receive a monthly summary regularly. They receive the Commerce and Navigation Reports. That is an annual report.

I believe they receive a Monthly Summary regularly. They receive the Report of Commerce and Navigation. That is the annual report.

Mr. SWEET. Are there definite arrangements between the consular service and your department whereby reports are furnished?

Mr. MACELWEE. Yes, sir; we work very closely together through personal contact.

Mr. SWEET. And the consular service conducts their investigations as to markets and trade and does it in a systematic way do they not?

Mr. MACELWEE. When they have time from all the other things, such as viséing passports, and so forth.

Mr. SWEET. That is a part of their duty, is it?

Mr. MACELWEE. It is one of some fifteen or twenty duties that consular officers have to perform.

Mr. SWEET. Is that well systematized at the present time?

Mr. MACELWEE. When they can find time to send anything in about trade they do so, and many consuls sit up late nights to do it.

Mr. SWEET. Does your department demand a report from the various consuls throughout the world?

Mr. MACELWEE. Occasionally. We send them questionnaires and ask them to report on certain things.

Mr. SWEET. But in reality you have no definite, well-systematized service with the consular service? In other words, it is rather voluntary on their part, is it not?

Mr. MACELWEE. Oh, no, they are charged with that work under the law, along with many other duties, but these other duties, such as viséing passports, and so forth, are so onerous that many consular posts throughout the world are unable at all to get around to answering lengthy trade inquiries. It is a physical impossibility.

Mr. SWEET. Of course the information they furnish you is good, but it is not well systematized? In other words, they are not furnishing it to you regularly from each consular position?

Mr. MACELWEE. That is rather a difficult question to answer, sir. We get a great many very excellent reports.

Mr. SWEET. You can certainly state whether you get those reports regularly.

Mr. MACELWEE. They are not supposed to report at stated intervals. They report as the occasion arises, and whenever they can get at it or something comes to their attention they make a strenuous effort to report to us, and we get many such reports. But that is only a part of their duty and is sometimes crowded out by other duties.

Mr. SWEET. And you believe that that service could and should be perfected?

Mr. MACELWEE. I do; yes, sir. In the meantime our attachés and trade commissioners of the Department of Commerce are now instructed on the 3d of every month to report by cable, and we have worked out a very careful code so that those cables will not be too expensive.

Mr. SWEET. And how extensive is that service?

Mr. MACELWEE. We have 13 commercial attachés and some 15 trade commissioners that are paerticipating in this reporting service.

Mr. SWEET. In what countries mainly?

Mr. MACELWEE. They cover the world rather thinly.

Mr. SWEET. There are only 13 of them?

Mr. MACELWEE. Only 13; yes, sir. The British have 50 commercial attaché posts and various secretaries attached to them.

Mr. SWEET. Can you state offhand where these 13 are established at the present time?

Mr. MACELWEE. I might miss one, but I believe I can.

Mr. SWEET. I would like to have you do that.

Mr. MACELWEE. London, The Hague, Paris, Copenhagen, Madrid, Rome. There is a representative in Berlin, but he has no status—that is, no official status.

In Constantinople there is a trade commissioner. He is not an attaché. We have a trade commissioner in South Africa and in India.

We have an attaché in Perking, China. We have an attaché at Tokyo, Japan, Trade Commissioners at Brussels, Melbourne, and Warsaw, and attachés at Santiago, Chile, and Mexico City.

We have a trade commissioner in the United States of Colombia, and in Lima, Peru. We have an attaché at Rio Janeiro and at Buenos Aires.

We have a resident trade commissioner at Prague, Czechoslovakia, and at Vienna, Austria.

Mr. SWEET. Is this service in any way connected with the Consular Service?

Mr. MACELWEE. No, sir; it is by law under the jurisdiction of the Department of Commerce.

Mr. SWEET. Do you believe that that service should be extended?

Mr. MACELWEE. I do, sir.

Mr. SWEET. Thirteen positions of this kind can not very satisfactorily cover the commerce and trade of the world.

Mr. MACELWEE. That is quite true. These men are trained observers, men along in the thirties who have had considerable experience and an economic foundation as a rule, who devote their entire time to the promotion of the trade relations of the United States and do nothing else.

Mr. SWEET. And they are trained men—that is, they are trained here before going over there.

Mr. MACELWEE. Yes, sir, and they pass a very severe examination.

Mr. BARKLEY. You asked for extension of that service, did you not, in the recent sundry civil bill—or the legislative, executive and judicial appropriation bill?

Mr. MACELWEE. Yes, sir.

Mr. BARKLEY. And the Appropriations Committee did not see fit to grant it, did they?

Mr. MACELWEE. It seems so.

Mr. BARKLEY. Just one other question. To what extent are the nations of Europe undertaking now, by the sending of trade representatives into South America, to obtain large extensions of their trade in that territory?

Mr. MACELWEE. They are making efforts that, in view of their national budgets and financial situations, is astounding. I have on my desk here reports from Ambassador Davis as to what the English are doing, and as I stated they have fifty attaché posts, and at these posts, such as the large one here, they have a commercial chancellor who ranks with the chancellor of the embassy. They have several commercial secretaries. They pay the commercial chancellor, in addition to his entertainment fund and post allowances, twice what we pay our men, and altogether they have fifty such posts, not mentioning the officers attached to them, and they follow the policy that we have tried to put into effect as far as our means extended, that to the larger posts we would send a specialist, an engineer or trained financial man, to spend all of his time under the commercial attaché's guidance, investigating the line of work with which he is particularly familiar. That is combining the diplomatic status of the commercial attaché's office with the special training of the trade commissioner.

Mr. BARKLEY. I noticed a few days ago a picture of a reception given by some South American country—I have forgotten now

whether it was Chile or Argentina or Brazil—to former Premier Orlando of Italy, who had been sent by Italy to South America on a trade mission, and it impressed me as being rather an important matter that if they were willing to send one of their great statesmen, a former premier, to South America to work up trade for Italy, the United States ought to get busy and send some of her big men there.

The CHAIRMAN. We have the Secretary of State there now.

Mr. BARKLEY. He is not on a trade mission, however; he is returning a social visit.

The CHAIRMAN. Does Japan furnish statistics as to exports and imports into the United States to any other than her own consular and trade representatives?

Mr. MACELWEE. I believe that anyone can, as a rule, get the published statistics of any government. If that does not answer your question, I will ask Mr. Hohn if he can tell me.

Mr. HOHN. They are simply published and anyone can get them.

Mr. SWEET. About how many men are in the service at each of these posts, the 13 posts?

Mr. MACELWEE. Of our posts?

Mr. SWEET. Yes, sir.

Mr. MACELWEE. In London there are two trade commissioners and two clerks. At Paris there are a trade commissioner and an assistant trade commissioner and two clerks. At Madrid there is under the attaché one trade commissioner who is a mining engineer and has been studying mining problems.

In Rome the attaché is holding forth all alone. Also in Copenhagen. He has a clerk, of course. In Rio Janiero there is an attaché and a trade commissioner who is an engineer, who is following the development of factories in Argentina.

It is very interesting to see how South America is beginning to be more or less of a manufacturing people, due to the blockades and so forth during the war.

At Santiago there is an attaché with a clerk alone.

Of course, for an attaché alone to have to meet the business men and form contacts and introductions for them and then scout around the country after news at the same time is the reverse of the statement that two bodies cannot occupy one point at the same time; this is one body trying to occupy two points.

Mr. SWEET. That is what I am getting at, how effective our foreign service is?

Mr. MACELWEE. It is very weak all along the line, a single line and no reserves at all, and whenever there is a rush on any officer he just does the best he can and flounders through.

Mr. DENISON. You stated a moment ago that these men must take a rigid examination.

Mr. MACELWEE. Yes, sir.

Mr. DENISON. What do you mean by that?

Mr. MACELWEE. It is a seven-hour written examination conducted by the civil service, in which there are two languages required for attachés, a thesis on economic subjects, and then quite a number of rather searching questions on world trade. If he successfully passes this—and less than one-quarter of all the candidates pass—then he goes through an oral examination which the chiefs of the divisions in the Bureau of Foreign and Domestic Commerce, the appointment

clerk of the department and a representative of the civil service cross-question the candidate for about an hour, and some men who have passed a very good written examination fall down in this because they are unable to come into a rather hostile committee, as it were, and go through with their hearing.

Mr. SWEET. What are the qualifications in regard to language?

Mr. MACELWEE. They are rather high. We do not send a man to any country unless he has a pretty good start on knowing the language of that country. He must be able to get along in the language. That does not mean to order a meal; it means to carry on a fair conversation. It happens that nearly all of the men that we have in the field today are accomplished linguists. They have lived abroad and studied abroad. The attaché in Paris was formerly commercial attaché in Petrograd, and he also took a doctor's degree in engineering from a German university, and he speaks French, German, and Russian fluently, with hardly an accent. The same can be said of the acting attaché at Brussels. He is a trade commissioner. He speaks four languages. Our representative in Berlin speaks six languages. He was a major in the Army in the Judge Advocate General's office.

Mr. MERRITT. What salary do these men get?

Mr. MACELWEE. The highest pay is $8,000, Tokyo and Buenos Aires. London pays $7,500 and Paris $7,500. Most of them get from $5,000 to $6,000.

The CHAIRMAN. What weight in rating is given to these applicants in the matter of practical experience?

Mr. MACELWEE. I think education and experience is four out of ten points in weight.

The CHAIRMAN. Do you have many with practical experience in merchandising, manufacturing, trade solicitation or anything of that kind?

Mr. MACELWEE. Nearly everyone that we have appointed, at some time or other, has at least sold something as a salesman or has had some contact with business. We have a number of men who have been professors of economics, but they are not so old as to have slowed up in the position, and most of them have had practical experience in connection with their economic teaching. They have gone out and gotten jobs in order to have contact. A modern teacher of economics who has had no contact with the business world does not get on.

The CHAIRMAN. This discussion may be rather far afield, but it is very valuable information for the committee.

Mr. DOREMUS. I would like to know, if you can tell us, the difference in the functions of the commercial attaché and the trade commissioner.

Mr. MACELWEE. I am very glad to explain that, Mr. Chairman. Originally the idea of the trade commissioner was a specialist in some line of industry who devoted his entire time to travel in pursuit of information concerning that particular specialty. Then there came upon us the demand from chiefs of missions, such as Mr. Gibson in Warsaw, Mr. Whitlock in Brussels, and from other points to have one of these trade commissioners stop with them in order to help them while they are observing for us, and we now have trade commissioners who are in an anomalous position; they are really doing

the work of a commercial attaché, who has a diplomatic standing because he is connected with an embassy, and yet they have not this diplomatic standing, and one request that we made and still hope that we can get through is that this class of trade commissioners doing work of attachés be transferred from the fund for promoting commerce to the attaché fund.

The attaché is a member of the minister's or ambassador's official family; he is a part of the embassy staff; he aids the embassy in every way that he can in commercial matters; he is the adviser to the head of the mission in commerce matters, and at the same time reports directly to us on all changes in commercial laws, tariff conditions, etc.

Mr. DOREMUS. If I understand you correctly, the trade commissioner is supposed to be an expert in a particular line?

Mr. MACELWEE. Yes, sir.

Mr. DOREMUS. Is he under civil service?

Mr. MACELWEE. Yes, sir; he passes practically the same examination as for the commercial attaché, except that his questions are directed primarily to his line of work. If he is going out to investigate automobiles and the market for automobiles in South America he would have several questions on the automobile industry.

Mr. DOREMUS. Both your commercial attachés and trade commissioners have a civil-service status, do they?

Mr. MACELWEE. Yes, sir.

Mr. DOREMUS. And they can make that their lifework if they so desire?

Mr. MACELWEE. Yes, sir.

ADDITIONAL STATEMENT OF HON. J. W. ALEXANDER, SECRETARY OF COMMERCE.

Secretary ALEXANDER. I will say this, Mr. Chairman, that the brief experience I have had in the department is that the pay of these high-class men is so low, comparatively, that after spending a very few years in the department they go out into industry.

Now, I would like for the committee to hear briefly Mr. Chauncey D. Snow. Following the armistice he spent a year in Paris as commercial attaché of the Bureau of Foreign and Domestic Commerce in the department, but last spring early the Chamber of Commerce of the United States offered him a very inviting salary, and he is now the foreign trade adviser of the United States Chamber of Commerce, and I would be glad for you to hear him briefly as to the attitude of the chamber of commerce toward this legislation.

Mr. SIMS. One moment, Mr. Secretary—you need not answer this unless you are prepared on it. In regard to the amount paid our commercial attachés, how does their compensation compare with that of countries like England, France, and other commercial countries?

Secretary ALEXANDER. I am not able to state. But the difficulty with us is to hold them in the service here or in foreign countries when our own trade organizations, commercial bodies, and banks are after them and offer attractive salaries.

Mr. SIMS. In other words, private interests outbid the Government?

Secretary ALEXANDER. Yes, sir.

Mr. Kennedy was the Director of the Bureau of Foreign and Domestic Commerce when I came into the department. On the 1st of July he went out to accept the position of vice president in the First Federal Foreign Banking Corporation with a salary of two or three times as much as he was getting as director of the bureau. Several other men of superior attainment have left the bureau for the same reason in the past year.

The CHAIRMAN. We will be glad to hear Mr. Snow.

STATEMENT OF MR. C. D. SNOW, REPRESENTING THE UNITED STATES CHAMBER OF COMMERCE.

Mr. SNOW. Mr. Chairman and gentlemen, the Chamber of Commerce of the United States has taken a very great interest in this proposal to consolidate these two divisions, because the chamber, reflecting the views of a good many commercial organizations and also of business companies, feels that there is immediate need for improvement of the statistical service.

This question of the revised schedule of exports and imports has been considered in some detail by our committees, and our foreign commerce committee went on record distinctly as favoring it, favoring the new schedules, and that was further approved by our board of directors.

Statistics now under the Treasury Department are simply a by-product of customhouse work. The Bureau of Foreign and Domestic Commerce is interested in putting those statistics into shape where they will be of more use to the business men, and we should like to see the entire work consolidated in that department, where they will receive attention from the outset with the prime idea of fitting them for business use.

The CHAIRMAN. How many members are there in the United States Chamber of Commerce?

Mr. SNOW. The chamber of commerce has in its membership about 1,500 trade organizations, and in addition it has about 15,000 companies.

The CHAIRMAN. So it represents a very large percentage of the business world in the United States?

Mr. SNOW. I would say that our organization membership—that is, these 1,500 trade organizations, in our membership—represent, with very few exceptions, the entire trade and industrial and financial organization of the United States.

Mr. SWEET. Has the chamber of commerce any authentic method by which it obtains statistics, aside from Government agencies in regard to trade?

Mr. SNOW. The chamber of commerce of the United States is getting some statistics through these organizations in its membership. Some of the organizations in our membership keep pretty close statistics of production and movement of goods in their line. It is more in this field of production that we get trade statistics ourselves than in the fields of foreign trade. The Government figures on foreign trade we work over; we work over a good deal. They are not presented in a fashion to meet all the needs of the business men as they stand, and we work them over, but we do no original work on foreign trade statistics.

Mr. SWEET. And do you have no pamphlets that you send out to the various chambers of commerce and business men relative to statistics?

Mr. SNOW. We get out a good many on the subject of statistics, and we——

Mr. SWEET (interposing). Is the information contained in those pamphlets separate and distinct from any Government agency, or is it rather a working over of the reports that you receive from the Government or Government agencies?

Mr. SNOW. The great part of our statistical work is in the form of analysis and regroupings and reclassifications to bring out particular points, based on Government statistics. However, in the matter of industrial production, our new fabricated production department in the National Chamber is endeavoring to get better statistics coming up through the trade organizations, showing not only production but trade in important lines within the country because at present statistics regarding domestic trade are very shy. We can look to these Bureau of Foreign and Domestic Commerce figures and get the foreign trade, but let anyone ask what is the domestic trade and there is nothing but a wild guess to-day, with the exception of a few lines where the trade organizations have carefully kept statistics.

The CHAIRMAN. Are there any other questions? Do you have any other witnesses, Mr. Secretary?

Secretary ALEXANDER. We have nothing further, only I would like to emphasize that last thought expressed by Mr. Snow. I thought when I went into the bureau that while the foreign trade was being developed through the Bureau of Foreign and Domestic Commerce, we had not developed the domestic feature of our work. We have overlooked the fact that we have a great empire here at home and that the department is not rendering that service to the business interests of the country in the development of domestic trade that we are in the foreign trade. But that is a matter, of course, for future Secretaries and Congresses to look after.

I believe that is all we have, Mr. Chairman.

The CHAIRMAN. The committee is very much obliged to you and to all the witnesses for the presentation you have made. The committee will try and get action on this bill in executive session at an early date.

Secretary ALEXANDER. We are obliged to the committee for the attention they have given us.

(Whereupon, at 12 o'clock noon, the committee adjourned.)

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